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Empirical Article

Increasing the Public Pension Age: Employers' Concerns and Policy Preferences

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ABSTRACT

Governments increasingly focus on extending working lives by raising public pension ages and in some cases by linking pension ages to changes in the life expectancy. This study offers novel insights into how employers perceive such reforms and their consequences for their organization. A survey among employers ($N = 1,208$) has been carried out in 2017 to examine their reactions to a recent pension reform in the Netherlands. Statistical analyses are performed to examine employers' support for the current policy of linking the public pension age to changes in average life expectancy, as well as the support for 2 alternative policies that are often considered in public policy debates: a flexible public pension age; and a lower public pension age for workers in physically demanding jobs. Results show that particularly employers in construction and industry are extremely concerned about the physical capability of employees to keep on working until the public pension age. These concerns are the driving forces behind the lack of support for linking public pension ages to changes in average life expectancy (22% support) and the overwhelming support for a lower public pension age for physically demanding jobs (82%). The introduction of a flexible pension age (78% support) is not firmly related to employers' concerns about capability or employability of older workers.

In OECD countries, population aging is a fact of life. Due to a growing relative share of people entitled to public pensions, taxes or premiums for such programs are expected to increase dramatically if pension rights remain the same. Many countries have therefore implemented reforms that improve the financial sustainability of public pension programs by increasing the public pension age (OECD, 2017). How individual employers view this imposed change is, until now, largely missing from the scholarly debate (Henkens et al., 2018). This is unfortunate because employers are the main stakeholders in the development of organizational policies that facilitate active and healthy aging (Oude Mulders, Henkens, & Van Dalen, 2019).

This article is the first to examine the perspective of employers on extending working lives by increasing the public pension age. We will specifically consider the Netherlands, where the national government (in 2012) decided to gradually increase the public pension age, forcing older workers to work substantially longer than previously planned or expected. Furthermore, the public pension age will be automatically linked to upward changes in the average life expectancy at age 65 from 2022 onwards in a one-to-one fashion: a 1 year increase in average life expectancy will imply a 1 year higher public pension age. This is projected to lead to a steep increase in the public pension age in the coming decades (Figure 1). And with this policy reform the Netherlands is expected to have one of the highest projected public pension age in the world (OECD, 2017, p. 22).

The relatively rapid increase of the public pension age in the Netherlands has not been without consequences or controversy: many older workers are frustrated about the reforms and are concerned about their ability to continue working in good mental and physical condition until the public pension age (Van Solinge & Henkens, 2017). Boot and colleagues (2014) note that the prevalence of chronic health conditions is increasing and will affect the position of older workers in particular: 59% of Dutch older workers experience such chronic health conditions and these have a significantly negative impact on work-related outcomes such as disability or sickness (cf. Staubli & Zweimüller, 2013).

We will analyze data of 1,208 Dutch employers, examining to what extent employers support the current policy reform and alternative policy options that offer more flexible exit routes for workers. Additionally, we study whether their support can be explained by concerns about older workers' ability to continue working in good mental and physical condition. We will analyze the following public pension age policies: (a) the status quo: linking the public pension age directly to changes in the average life expectancy; (b) the alternative of offering differentiated public pension ages, where workers in physically

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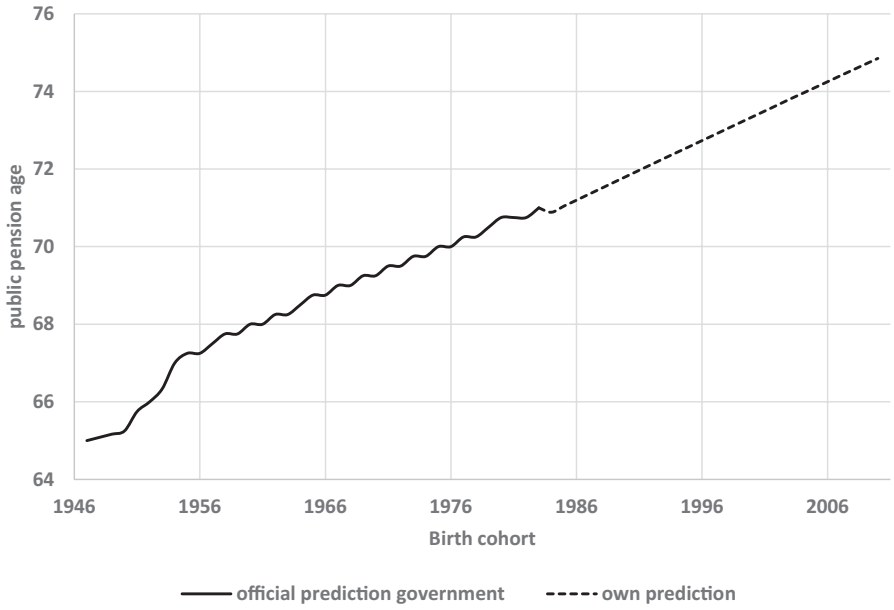

Figure 1. The increase in official public pension age, by birth cohorts, the Netherlands. *Note.* **Predictions are based on life expectancy predictions at age 65 by Statistics Netherlands and the public pension age formula stated in the Dutch pension law: $V = (L - 18.26) - (P - 65)$, where V is the period with which the public pension age is increased, expressed in years; L is the average life expectancy at age 65 in the year in which the increase is made, the parameter 18.26 is the average life expectancy at age 65 in the reference year of the legislated change; P is the public pension age in the year preceding the year of the increase. In case V is negative or less than 0.25 years, the value of V will be set at zero (pension age decreases are ruled out by law). Increases are not continuous but set at 3-month steps.**

demanding jobs have a lower public pension age compared to those who work in nonphysically demanding jobs; and (c) the alternative of a flexible public pension age, where citizens can choose a lower or a higher public pension age in an actuarially neutral fashion. Hence those workers choosing a retirement date before the standard public pension age will have a lower benefit level per year, whereas those delaying their retirement date will have a higher benefit per year. These alternative policies are both at the focus of attention in public debates in many countries (Börsch-Supan, Bucher-Koenen, Kutlu-Koc, & Goll, 2018; Hagemann & Scherger, 2016; Johnson, 2018).

CONTRACT THEORY

In understanding employers' concerns about increasing the public pension age, it is key to understand why mandatory retirement clauses are standard practice in many countries. Lazear (1979) showed that the so-called "implicit contract"—in which workers are paid less than their productivity during the first part of their career and more than their productivity in the second part—is a long-term contract that satisfies both employers' and employees' interests. These seniority wages can in principle foster the bond between employers and employees because the prospect of an increasing wage works as an incentive to stay with your employer and prevent workers from shirking. In Europe, such seniority wage contracts are common (Conen, Van Dalen, & Henkens, 2012; Deelen, 2012; Deelen & Euwals, 2014). However, this contract crucially depends on including a mandatory retirement age. An extension of the working life due to an increasing public pension age in connection with increasing wages over the lifetime jeopardizes the sustainability of the "implicit contract" between employer and employee (Lazear, 1990). Indeed, Frimmel, Horvath, Schnalzenberger, and Winter-Ebmer (2018) show that, in Austria, steep seniority wage profiles tend to cause earlier job exits of older workers and often steep wage profiles also lead to a higher incidence of so-called "golden handshakes" (especially among blue collar workers).

From a psychological perspective, government reforms that increase the public pension age can also be seen as an external force that puts pressure on the psychological contract between employers and employees (Robinson, 1996; Rousseau and McLean Parks, 1993). Employers and employees are then forced to retain their employment relationship till a much higher age than foreseen and may perceive this as a breach of contract. The perceived consequences of such a breach are central in understanding attitudes and behavior of both contract parties. Strikes and demonstrations in Europe against plans to increase the public pension age show how workers view this breach. How employers perceive this specific breach of the psychological contract is less well examined (Coyle-Shapiro & Kessler, 2000). The extension of the employment relationship imposed by the pension reforms may trigger concerns by employers about workers abilities to keep on working. Moreover, these concerns might translate in calls for more flexible exit routes from the labor market.

We formulate three hypotheses based on the theoretical considerations mentioned above:

Hypothesis 1: The support for an automatic linkage of the public pension age to changes in life expectancy is expected to be lower the higher

Table 1. Descriptive Statistics

Variables	Description	Statistics
Dependent variables		
Support public pension policies		
Linking public pension age to changes in life expectancy	In your opinion, what should happen to the public pension age? (1) linking the public pension age to changes in average life expectancy; (2) public pension age back to age 65, (3) public pension age to be fixed at age 67. Options (2) and (3) are collapsed into the benchmark (=0) and the linked pension age (=1)	22%
Lower public pension ages for physically demanding jobs	Strongly against	2%
	Against	2%
	Neutral	14%
	In favor	43%
	Strongly in favor	39%
Flexible public pension age	Against	5%
	Neutral	17%
	In favor	78%
Predictor variables		
Employers' concerns:	Nowadays, employees have to work much longer than before. To what extent are you as an employer concerned:	
Whether employees are physically capable to do so	no/little concerned	28%
	fairly concerned	30%
	very concerned	27%
	extremely concerned	15%
Whether employees are mentally capable to do so	no/little concerned	27%
	fairly concerned	40%
	very concerned	26%
	extremely concerned	7%
About the limited employability of employees with health problems	no/little concerned	20%
	fairly concerned	31%
	very concerned	32%
	extremely concerned	17%
Sectors of industry (based on SBI codes, 6-dummy variable)		
Services and trade		29%
Industry		28%
Construction		6%
Education		9%
Health care		21%
Other public sector		6%
Size of organization (3-dummy variable):		
Small (10–50 employees)		33%
Middle (50–249 employees)		39%
Large (more than 250 employees)		28%
Personnel composition (proportion of total):		
Older workers (aged 50+)		$M = 0.32$ ($SD = 0.18$)
Female workers		$M = 0.43$ ($SD = 0.31$)
Low educated workers		$M = 0.53$ ($SD = 0.31$)
Part-time workers		$M = 0.40$ ($SD = 0.32$)

Table 1. Continued

Variables	Description	Statistics
Gender employer (male = 0)		37%
Age employer (in years)		$M = 50.9$ ($SD = 9.70$)
Position		
Director/CEO		22%
Owner		23%
Manager		7%
HR manager		26%
Other		22%

Note. $N = 1{,}208$

employers' concerns about the employability of older workers with health issues and older workers' mental and physical capacities to extend their career.

Hypothesis 2: The support for lower public pension ages for workers in physically demanding jobs is expected to be higher the higher employers' concerns about the physical capacities of workers extending their career.

Hypothesis 3: The support for flexible public pension age policies is expected to be lower the higher employers' concerns about the employability of older workers with health issues and older workers' mental and physical capacities to extend their career.

METHODS

Data

Data were collected from Dutch employers between December of 2016 and March of 2017. First, a sample of 6,000 organizations with at least 10 employees was drawn. Organizations with fewer than 10 employees were excluded because they commonly have little formal HR management and deal with aging in an ad hoc way (Cardon & Stevens, 2004). The sample was stratified according to size and sector, meaning large organizations and those in the public sector were oversampled, and small organizations and those in the services sector were undersampled, to ensure sufficient responses from all types of relevant organizations. The questionnaire was addressed to the director or CEO of the organization, although the letter stated that also other employees know about the organizations' background and practices could participate A hard copy questionnaire was sent to the organizations, along with an accompanying letter inviting them to participate in the study. The letter also contained a unique code with which the employers could access an online version of the questionnaire. Two reminders were sent, one containing a letter reminding them of the survey and the code for the online questionnaire, and one also containing a new hard copy of the questionnaire. Half of the responses came from the hard copy questionnaire, while the other half came from the online version. In total, 1,312 organizations participated in the study, generating a response rate of 23%. This rate is lower than the average response rates for individual-based surveys but in line with those generally found in organization surveys (Baruch & Holtom, 2008; Van Dalen, Henkens, & Wang, 2015). Item nonresponse on the independent variables was between 0.5% and 3%. We dealt with missing data using single stochastic regression imputation (Enders, 2010, pp. 46–49). Under these circumstances, less rigorous missing data procedures than multiple imputations are generally acceptable (Little, Jorgensen, Lang, & Moore, 2014). Following Von Hippel's (2007) recommendation, we included our dependent variables during the imputation process, but included only those cases where all dependent variables were nonmissing ($N = 1{,}208$) in our model estimation.

Measures

Descriptive statistics of all variables and the wording of the survey questions are presented in Table 1. The three dependent variables indicate the level support or the lack of support for the three types of public pension age policies.

The key predictor variables are employers' concerns about employees' abilities to work longer. We control for sector of industry, organizational size (measured by the number of employees); and the proportion of older workers, low skilled workers, women, and part-time workers. To control for individual employer effects, we control for age, sex, and their position. The correlation matrix is presented in Table 1A.

Table 1 shows that there is widespread support for the alternative public pension age policies that allow for more flexibility: 78% supports flexible public pension ages and 82% (combining percentages of those "in favor," 43%, and those "strongly in favor," 39%) supports a lower public pension age for physically demanding jobs. In contrast, there is limited support for the status quo policy of linking the public pension age to changes in the life expectancy: 22% supports this policy. For the employers' concerns, results show that 42% of employers are very/extremely concerned that employees will not be physically capable to continue working until the public pension age. Concerns are less widespread when it comes to the question whether employees are mentally capable to continue working until their retirement age, with 33% of employers being very/extremely concerned. Almost half of the employers are very or extremely concerned about limited employability of their personnel due to health problems, which may be explained by strict eligibility rules for entrance in Dutch disability programs. Table 2 shows, based on ordered logit analyses, that concerns differ greatly by sector, size of organization, and personnel staff composition: the level of concern is higher in large organizations, organizations with a higher percentage of older workers, and in the construction industry.

Table 2. Ordered Logistic Regression Analyses Explaining Employers' Concerns About the Prospect of Employees Working Longer (N = 1,208)

Organizational characteristics	Concerns About Employees Working Longer								
	Physical Demands			Mental Demands			Limited Employability Workers With Health Problems		
	OR	Coefficient	*t* Value	OR	Coefficient	*t* Value	OR	Coefficient	*t* Value
Sector (Services = 0)									
Industry	1.88**	0.63	4.15	1.18	0.17	1.10	1.35*	0.30	1.97
Construction	5.71**	1.74	6.63	2.81**	1.03	4.06	1.46	0.38	1.50
Education	0.89	−0.11	0.49	1.69*	0.53	2.35	1.63*	0.49	2.16
Health care	1.58*	0.45	2.33	0.89	−0.11	0.60	1.20	0.18	0.97
Public sector other	1.14	0.13	0.55	0.94	−0.06	0.25	0.70	−0.37	1.51
Size (small = 0)									
Middle	2.05**	0.72	5.03	1.47**	0.38	2.70	1.37*	0.31	2.26
Large	2.94**	1.08	6.66	2.18**	0.78	4.89	2.27**	0.82	5.20
Personnel composition, proportion of:									
Older workers (50+)	2.84**	1.05	3.25	2.18*	0.78	2.43	3.61**	1.28	3.97
Female workers	0.84	−0.17	0.48	1.21	0.19	0.53	0.82	−0.20	0.56
Low educated workers	6.08**	1.80	9.14	0.92	−0.08	0.44	4.21**	1.44	7.45
Part-time workers	0.76	−0.27	0.80	1.53	0.43	1.29	0.95	−0.05	0.15
Individual employer characteristics:									
Gender (male = 0)	1.02	0.02	0.11	0.96	−0.05	0.34	1.32*	0.28	2.11
Age	0.98**	−0.02	3.91	0.99	−0.01	1.19	0.99*	−0.01	2.38
Position (director/CEO = 0)									
Owner	1.13	0.12	0.70	1.18	0.17	0.99	1.11	0.10	0.60
General manager	0.88	−0.13	0.54	1.46	0.38	1.53	0.92	−0.08	0.33
HR manager	1.06	0.06	0.31	0.97	−0.03	0.17	0.89	−0.12	0.62
Other	0.77	−0.26	1.35	0.85	−0.17	0.86	0.67*	−0.39	2.11
χ^2 (df = 18)		315.3			76.18			162.6	
Pseudo R^2		.10			.03			.05	

*p < .05. **p < .01.

RESULTS

Table 3 presents the results of the logit and ordered logit analyses explaining employers' support for different public pension age policies. We carried out the analyses in two steps. In Step 1, we estimated models regressing support for the public pension age policies on a set of control variables (sector, size, composition of staff, and individual employer characteristics). In Step 2, we included employers' concerns as key predictor variables. The first step reveals that sector and staff composition are important. For example, a lower public pension age for physically demanding jobs receives more support from employers in the industry, construction, and education sector. Employers with more lower educated workers also support a lower public pension age for physically demanding jobs but do not support a system with flexible public pension ages. Also, female employers are more supportive of lower public pension ages for physically demanding jobs and have less support for pension ages linked to life expectancy. The main focus of our article is on employers' concerns, which are included as key predictor variables in Step 2 of our model. The key predictor variables explain 5%, 4%, and 1% of the variance beyond the control variables in employers' support for status quo policy, a lower public pension age for physically demanding jobs, and a flexible public pension age, respectively. (An additional way of assessing the total effect size of including concerns as predictors of support for different public pension policies is to compare percentages of correct predictions of the model. In the model explaining support for the status quo the percentage of correct predictions increases from 78% to 79% after including employers' concerns. For the model explaining support for a lower pension age for physically demanding jobs, the correct predictions increase from 47% to 53%. There is no increase in correct predictions in the model explaining support for a flexible public pension age. These results show that although concerns are important predictors of the likelihood of policy preferences, it is more difficult in predicting individual employers' preferences.)

Column 1 of Table 3 clearly shows that concerns about workers being physically and mentally capable to continue working are main predictors of rejecting the status quo policy of linking public pension ages to changes in life expectancy. In explaining support for the alternative public policies, we first consider the lower public pension age for physically demanding jobs (column 2 in Table 3). The likelihood of supporting a lower public pension age for physical demanding jobs is much higher among employers who are concerned about older

Table 3. Logistic and Ordered Logit Regression Analyses Explaining the Support of Employers for Public Pension Age Policies (N = 1,208)

Explanatory variables	Support for Public Pension Age Policies								
	Status Quo: Pension Age to Changes in Life Expectancy[a]			Lower Pension Age for Physically Demanding Jobs[b]			Flexible Public Pension Age[b]		
	(1)			(2)			(3)		
	Odds Ratio	Coefficient	*t* Value	Odds Ratio	Coefficient	*t* Value	Odds Ratio	Coefficient	*t* Value
Step 1: Only control variables									
Sector (services/trade = 0)									
Industry	0.59*	−0.52	2.41	1.41*	0.34	2.19	1.28	−0.25	1.26
Construction	0.90	−0.10	0.29	3.72**	1.32	4.54	1.24	−0.22	0.68
Education	1.29	0.25	0.91	2.17**	0.78	3.33	1.05	−0.05	0.17
Health care	0.85	−0.16	0.65	1.29	0.25	1.31	1.19	−0.17	0.66
Public sector other	0.81	−0.21	0.60	1.61	0,48	1.87	1.44	−0.36	0.98
Size (small = 0)									
Middle	1.25	0.22	1.17	1.01	0.01	0.07	1.40	−0.33	1.86
Large	1.11	0.10	0.46	1.36	0.31	1.90	1.58	−0.46	2.15
Personnel composition, fraction of:									
Older workers (50+)	0.88	−0.13	0.30	0.56	−0.58	1.78	0.74	0.30	0.74
Female workers	1.44	0.37	0.76	0.46*	−0.79	2.14	2.33	−0.85	1.75
Low educated workers	0.66	−0.42	1.65	2.21**	0.79	4.05	0.59*	0.53	2.07
Part-time workers	0.97	−0.03	0.07	1.48	0.39	1.16	0.71	0.34	0.79
Individual employer characteristics:									
Gender (male = 0)	0.45**	−0.80	4.18	1.45**	0.37	2.73	0.74	0.30	1.69
Age	1.00	0.00	0.25	1.01	0.01	2.01	1.01	−0.01	0.70
Position (director/CEO = 0)									
Owner	0.90	−0.11	0.53	0.87	−0.13	0.77	1.22	−0.20	0.89
General manager	0.26**	−1.34	3.10	0.80	−0.22	0.87	1.27	−0.24	0.73
HR manager	0.74	−0.31	1.20	0.94	−0.06	0.32	1.23	−0.21	0.81
Other	0.52**	−0.65	2.54	0.77	−0.26	1.38	0.88	0.13	0.53
χ^2 (df = 18)		73.05			75.44			38.30	
Pseudo R^2		.06			.03			.02	
Step 2: Model with key predictors									
Concerns about prolonging working life:									
Physical demands (no/little = 0)									
Fairly concerned	0.66*	−0.42	2.02	1.08	0.08	0.49	0.78	−0.25	1.13
Very concerned	0.53**	−0.63	2.55	1.81**	0.59	3.10	0.97	0.03	0.14
Extremely concerned	0.28**	−0.27	3.31	4.26**	1.45	5.46	0.78	0.25	0.78
Mental demands (no/little = 0)									
Fairly concerned	0.55**	−0.59	3.18	1.20	0.18	1.26	1.30	−0.26	1.41
Very concerned	0.57**	−0.57	2.54	1.06	0.06	0.36	1.65*	−0.50	2.21
Extremely concerned	0.11**	−2.24	3.46	1.75	0.56	1.79	1.33	−0.28	0.78
Limited employability workers with health problems (no/little = 0)									
Fairly concerned	0.99	−0.01	0.03	0.96	−0.04	0.23	1.23	−0.21	0.97
Very concerned	0.96	−0.04	0.17	1.37	0.31	1.73	1.23	−0.21	0.90
Extremely concerned	1.16	0.15	0.46	1.76*	0.57	2.36	1.14	−0.13	0.45
Controls									
Sector (services/trade = 0)									
Industry	0.67	−0.40	1.78	1.24	0.21	1.31	1.29	−0.26	1.27
Construction	1.63	0.49	1.11	2.61**	0.96	3.13	1.23	−0.21	0.63
Education	1.50	0.40	1.41	2.04**	0.71	2.97	1.02	−0.02	0.07
Health care	0.90	−0.11	0.41	1.19	0.17	0.86	121	−0.19	0.73
Public sector other	0.83	−0.18	0.51	1.93**	0.66	2.49	1.31	−0.27	0.72

Table 3. Continued

Explanatory variables	Support for Public Pension Age Policies								
	Status Quo: Pension Age to Changes in Life Expectancy[a]			Lower Pension Age for Physically Demanding Jobs[b]			Flexible Public Pension Age[b]		
	(1)			(2)			(3)		
	Odds Ratio	Coefficient	*t* Value	Odds Ratio	Coefficient	*t* Value	Odds Ratio	Coefficient	*t* Value
Size (small = 0)									
Middle	1.60*	0.47	2.36	0.85	−0.17	1.12	1.37	−0.32	1.72
Large	1.60	0.47	2.04	1.06	0.06	0.35	1.45	−0.37	1.69
Personnel composition, proportion of:									
Older workers (50+)	1.16	0.15	0.33	0.40**	−0.91	2.69	0.68	−0.38	0.93
Female workers	1.60	0.47	0.93	0.44*	−0.83	2.19	2.42	−0.88	1.81
Low educated workers	0.87	−0.13	0.49	1.32	0.28	1.31	0.60	0.50	1.85
Part-time workers	0.93	−0.07	0.16	1.53	0.43	1.23	0.69	0.37	0.85
Individual employer characteristics:									
Gender (male = 0)	0.43**	−0.83	4.21	1.48**	0.39	2.78	0.73	0.32	1.74
Age	1.00	−0.00	0.53	1.02**	0.02	3.23	1.01	−0.01	0.75
Position (director/CEO = 0)									
Owner	0.92	−0.08	0.38	0.87	−0.14	0.80	1.17	−0.15	0.69
General manager	0.24**	−1.41	3.18	0.84	−0.17	0.66	1.15	−0.14	0.44
HR manager	0.72	−0.32	1.22	0.94	−0.06	0.31	1.22	−0.20	0.76
Other	0.48**	−0.73	2.77	0.90	−0.10	0.53	0.85	0.17	0.69
χ^2 ($df = 27$)		139.0			198.8			51.69	
Pseudo R^2		.11			.07			.03	
ΔR^2		.05			.04			.01	

*$p < .05$. **$p < .01$.
[a]Estimated by means of logit analysis.
[b]Estimated by means of ordered logit analysis. In all models we control for the type of questionnaire used (paper/online).

workers' physical capacities. Regarding the other alternative policy—a flexible public pension age—column 3 of Table 3 shows that support is not affected by employers' concerns. This is a surprising finding because this policy option is often put forward in the (Dutch) public debate. Apparently, this option caters to many needs or desires, and perhaps the term "flexible" is associated with options that one is tempted to agree with instinctively, like the term "freedom" or "liberty" (Van Dalen & Henkens, 2018). One can detect only more support for flexible pension ages among employers who are very concerned about mental demands of working longer, but given that this effect is not displayed among those who are extremely concerned, this effect should be interpreted with care. A noteworthy finding is that support for flexible public pension ages is positively associated with organizational size. It might be that this support among large(r) employers fits in with their preferences for having more policy instruments, such as an exit option, available in adjusting the composition of their workforce (Van Dalen et al., 2015). Especially in times of aging or when pension reforms occur increasing the public pension age, firms are tempted to use such arrangements to cope with unsustainable labor contracts with (steep) wage profiles (cf. Frimmel et al., 2018).

DISCUSSION

The Netherlands is a forerunner in reforming the public pension system by increasing the eligibility age for public pensions. The swift pace with which pension reforms have been implemented have taken the population by surprise and has generated a lot of uncertainty, anxiety, anger, and concern, in particular, whether older workers are capable of dealing with the prospect of a substantially longer working life. This study is the first to show to which extent employers support increasing public pension ages, or policy alternatives such as a lower public pension age for physically demanding jobs or a system allowing flexible public pension ages. Our study shows that employers are highly concerned about the pace with which older workers are forced to extend their careers. In line with these concerns, employers largely dismiss the current public pension system in which the pension age is automatically indexed to the average life expectancy. And they firmly support a pension system in which the heterogeneity in work capacity of workers in their mid-sixties is reflected in their access to the public pensions, for instance by offering lower public pension ages for workers in physically demanding jobs. A flexible public pension age also generates a lot of support among employers but, as our analysis shows, such a system does not tackle the core concerns of employers in the way the aforementioned system does that focuses on workers in physically demanding (and low income) jobs.

Though it is clear that many employers are concerned about workers' ability to deal with much higher public pension ages, the origins of these concerns remain unclear. The level of concerns expressed by employers might be partly due to negative stereotyping of older workers. Future research may want to look more in-depth at the drivers

of these concerns and to what extent they are linked to specific circumstances in their organizations.

Despite the limitations of what these stated policy preferences of employers show, the basic message of this paper is that employers have little faith in a one-size-fits-all approach that lurks behind the current public pension policies. Linking the public pension age to the average life expectancy may sound like a silver bullet solution to policy makers for solving the adverse consequences of population aging, the expected consequences are certainly not always benign (Miyazaki, 2014; Paulus, Siegloch, & Sommer, 2014). In the eyes of employers, the development of more differentiated pathways to retirement is needed as in some demanding occupations, and for older workers with health issues, an extension of the working career is not a sustainable option.

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Appendix Table 1. Intercorrelations Between All Dependent and Independent Variables (N = 1,208)

Variables	1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16	17	18	19	20	21	22	23
1. Lower age demanding jobs	1																						
2. Linked retirement age	−.20*	1																					
3. Flexible retirement age	−.08*	−.06*	1																				
4. Service sector	−.09*	.05	.04	1																			
5. Industry sector	.04	−.10*	.03	−.40*	1																		
6. Construction	.12*	−.01	.04	−.16*	−.16*	1																	
7. Public sector (other)	.00	−.01	−.04	−.16*	−.15*	−.06*	1																
8. Educational	.02	.08*	−.01	−.21*	−.20*	−.08*	−.08*	1															
9. Health care	−.04	.01	−.06	−.34*	.32*	−.13*	−.13*	−.17*	1														
10. Size	.03	−.01	−.09*	−.02	−.05	−.13*	.05	.04	.10*	1													
11. % Female personnel	−.07*	.05	−.09*	−.14*	−.44*	−.26	.09*	.17*	.60*	.11*	1												
12. % 50-plus personnel	−.02	−.04	.01	−.16*	.07*	−.01	.08*	.12*	−.02	.17*	.01	1											
13. % low educated	.12*	−.07*	.08*	−.02	.30*	.14*	−.14*	−.28*	−.11*	−.14*	−.22*	−.01	1										
14. % part-time	−.03	.05	−.06	−.14*	−.44*	−.22*	.08*	.20*	.57*	.09*	.85	.05	−.21*	1									
15. Gender employer	.06*	−.15*	.04	−.07*	−.04	−.05	.09*	.02	.10*	.13*	.17*	.11*	−.09*	.16*	1								
16. Age	.01	.08*	−.03	−.08*	−.09*	−.04	.00	.15*	.10*	−.08*	.12*	.04	−.06*	.10*	−.32*	1							
17. Director/CEO	−.01	.09*	.05	.10*	−.06*	.06*	−.12*	−.03	.00	−.41*	.01	−.14*	.14*	.04	−.27*	.15*	1						
18. Owner	−.01	.07*	−.04	−.05	.05	−.04	.02	.05	−.02	−.02	−.02	−.04	.04	−.05	−.24*	.16*	−.29*	1					
19. Manager	.00	−.08*	−.00	.01	.01	.03	−.01	−.03	−.01	−.03	−.06*	.02	.05	−.05	−.06*	.00	.14*	−.14*	1				
20. HR manager	.04	−.04	−.03	.00	.04	.00	.03	−.05	−.02	.32	−.03	.12*	−.10*	−.04	.32*	−.13*	−.32*	−.33*	−.16*	1			
21. Other positions	−.02	−.08*	.03	−.06*	−.03	−.05	.07*	.05	.06	.12*	.08*	.05	−.11*	.09*	.21*	−.17*	−.28*	−.29*	−.14*	−.31*	1		
22. Concerns physical cap.	.27*	−.21*	.03	−.12*	.21*	.19*	−.05	−.17*	−.06	.16*	−.18*	.12*	.34*	−.18*	.04	−.16*	−.08*	.02	.02	.09*	.04	1	
23. Concerns mental cap.	.15*	−.17*	−.04	−.07*	−.03	.08*	.00	.09*	.01	.17*	.05	.11*	−.03	.07*	.03	−.03	−.08*	.03	.04	.05	.02	.43*	1
24. Concerns employability	.22*	−.14*	.00	−.08*	.13*	.06*	−.08*	.02	−.03	.15*	−.18*	.14*	.23*	−.08*	.07*	−.10*	−.06*	.03	.02	.07*	.05	.58*	.40*

*$p < .05$.